THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Information is being collected and will be laid on the Table of the House.

**Regulatory Framework for Foreign Direct Investment**

702. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal to harmonise tax system and regulatory framework for foreign direct investment in industrial and allied activities;

(b) if so, the steps taken in this direction during the last two years and proposed during the current year;

(c) details of steps proposed to ensure uniformity in incentives offered by the States and effect suitable changes in the systems and legal framework at State level keeping in view the international legal framework and systems of operation; and

(d) details of agenda for action in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT: PAL MAHARAJ): (a) and (b) In recent years, a number of provisions have been enacted in Income-Tax Act, 1961, to. encourage foreign investment.

(c) and (d) Step being taken to ensure uniformity in incentives offered by the States and to effect suitable changes in the systems and legal framework at State level keeping in view the international legal framework & systems of operations, include persuading the State Governments to reformulate their respective policies in line with the Central Industrial Policy, mantaining close and continuous interaction with State Governments, encouraging procedural simplifications keeping in view common international practices, and appointing nodal officers for States.

**Agreement Reached Between Employees and Government on Fifth Pay Commission Recommendations**

703. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the proposed indefinite strike by Central Government employees from September 24, 1997 was called off consequent on an agreement reached between Government and its employees and ratified by Cabinet on September 14, 1997;

(b) the details of demands for increase in pay and allowances, and in pay fixation formula etc. over and above what was recommended by the 5th Pay Commission, conceded by Government during the negotiations preceding the settlement:

(c) the additional burden on exchequer that would entail of the said agreement, and the mode of payment; and

(d) additional benefits accrued to defence personnel as a result of the said agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The notices for strike given by various employees' Unions/Associations were withdrawn consequent upon agreement between the Government and the Staff Side of the Joint Consultative Machinery (JCM) on the recommendations of the Fifth Pay Commission.

(b) and (c) The main demands of the Staff Side of the JCM related to improvements in certain scales of pay, rates of increments, formula for fixation of pay in revised scales, productivity linked bonus, etc. The Government made certain improvements in scales of pay for low-paid employees, pay fixation formula and rate of increment. This would lead to an additional expenditure of about Rs. 2200 crores per annum.